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SUMMARY RECORD OF THE 32nd MEETING

Chairman:	Mr. VILCHEZ ASHER	(Nicaragua)
later:	Mr. AMARI (Vice-Chairman)	(Tunisia)
later:	Mr. ABELIAN (Vice-Chairman)	(Armenia)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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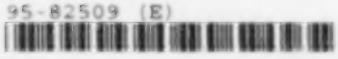

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The meeting was called to order at 10.30 a.m.

AGENDA ITEM 118: JOINT INSPECTION UNIT (A/49/34, A/49/423, A/49/560, A/49/629 and A/49/632; A/50/34, A/50/113 and Add.1, A/50/125 and Add.1, A/50/126 and Add.1, A/50/140 and Add.1, A/50/459/Add.1, A/50/503 and Add.1, A/50/507, A/50/509, A/50/571, A/50/572, A/50/686, A/50/692, A/50/721, A/50/742, A/50/753, and A/50/780; E/1993/119 and Add.1)

1. Mr. BOUAYAD-AGHA (Chairman of the Joint Inspection Unit), introducing the annual report of the Joint Inspection Unit (JIU) (A/50/34), said that, although JIU had fully understood the thrust of the General Assembly's decision regarding biennial reporting, the changing requirements of the participating organizations and the emphasis given to oversight functions throughout the United Nations system seemed to suggest a need to revert to an annual cycle for the consideration of JIU reports. It should be borne in mind that the reports of the Office of Internal Oversight Services were considered annually.

2. The General Assembly, in its resolutions 43/221 and 45/237, had requested the Secretary-General to ensure that the secretariat of JIU would have an effective capacity for research and analysis. Those mandates had not, however, been taken into account by the Secretariat of the United Nations. Moreover, in resolution 48/221 the Assembly had recognized the need to give adequate means to the Unit in order to enable it to carry out its functions and had requested the Secretary-General to consider providing the Unit with extrabudgetary resources and programme support funds for specific activities of inspection, evaluation and investigation in those areas which were linked to those resources.

3. In connection with the proposed programme budget for the biennium 1996-1997, the Unit had proposed an additional P-4 post to be financed through the support account for peace-keeping operations, which would help to give effect to paragraph 13 of resolution 48/221. The Unit had only two possible ways to comply with the request of the General Assembly: either to request additional staff resources, or to redeploy resources from other areas such as development and technical cooperation.

4. The statute of the Joint Inspection Unit clearly defined the procedure for the consideration of the Unit's budget. It had therefore been with much surprise that JIU had learned that its proposals had not been included in the proposed programme budget. It was all the more surprising because there was a clear, common understanding of the need to strengthen both internal and external oversight bodies. Other control bodies had been treated more generously; JIU had received no explanation for the rejection of its proposals.

5. The statute stipulated that the Secretary-General was to provide such office and related facilities and administrative support as the Unit required, and that budget estimates were to be established on the basis of proposals made by the Unit. Over the years, the Unit had demonstrated a high degree of restraint in requesting administrative support. Its secretariat staffing had decreased from 21 to 18 over the past 20 years, despite an increased workload. In its report on the proposed programme budget for 1996-1997 (A/50/7), the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had

recommended that the Secretary-General should report on the steps taken to provide the Unit with the necessary resources and support. The Unit would be grateful for the support and guidance of the General Assembly in that regard.

6. In drawing up the work programme described in its report, JIU had been guided by the fundamental objective of continuing to improve the quality and relevance of its outputs. The programme constituted an important step towards the further shaping of an action-oriented strategy for the Unit's activities. Moreover, since the Unit's current report cycle was from July to June while its work programme had previously covered the period from January to December, and since there was a lack of synchronization between the calendars of meetings of participating organizations and the Unit's work programme, it had been decided to shift the work programme cycle to ensure the timely presentation of the Unit's reports to the pertinent legislative organs, including the General Assembly. The forthcoming work programme for 1995-1996 should therefore be regarded as transitional; it would overlap somewhat with the current programme.

7. As requested in General Assembly resolution 45/237, JIU had for a number of years been including in its annual reports a summary of its reports and recommendations. Experience had, however, shown that exercise to be an unnecessary repetition of recommendations that had been previously approved by the pertinent legislative bodies, including the General Assembly. If the latter did not object, the Unit therefore proposed to discontinue that practice and to concentrate instead on the follow-up to recommendations.

8. Chapter VI of the annual report of JIU, entitled "Measures to enhance the functioning of the Unit", contained a number of key elements which should be the subject of deliberation and agreement among the Member States. Improvement of any activity was a continuous process. The Unit, which welcomed constructive criticism, had remained attentive to all comments and recommendations concerning its performance and had responded to them positively.

9. The General Assembly had emphasized the need to ensure respect for the separate and distinct roles and functions of external and internal oversight mechanisms and had reaffirmed JIU as the only independent system-wide inspection, evaluation and investigation body. The Unit needed more support from Member States, the participating organizations and other associated bodies and concrete conclusions should be drawn from its reports. The General Assembly should continue to pay particular attention to the selection and appointment of inspectors. The Unit was also studying ways of giving more effective leadership roles to its Chairman and Vice-Chairman and of perhaps modifying the practice of rotation.

10. The Unit had so far refrained from exercising its prerogative to make on-the-spot inquiries and investigations without prior notification. The follow-up of its recommendations was the most important phase and was a starting-point for testing their quality and potential impact. The General Assembly had often stressed the need for the secretariats of participating organizations and JIU to develop practical procedures to ascertain compliance with reporting and follow-up procedures. It had also invited the heads of agencies and programmes to observe strictly the time-limits for commenting on the Unit's reports. The issue of timeliness in the presentation of reports and

the production of comments was a matter for common endeavour between JIU and the bodies concerned. It was sometimes difficult for JIU to abide by internal timetables for the completion of its reports. One major difficulty lay in obtaining the required information from the various secretariats in a timely manner.

11. The Unit was taking steps to ensure punctual and systematic follow-up of its reports and recommendations from an early stage until the full implementation of its recommendations as approved by the participating organizations. It intended to request the heads of those organizations to provide timetables for implementation after recommendations were approved by the legislative bodies concerned. The General Assembly might wish to support JIU in that effort.

12. In recent years, JIU had provided the United Nations Secretariat every year with a list of four of its reports issued three or four years earlier, for follow-up by the Secretary-General. The lack of objective criteria for the selection of those reports had, however, shown the practice to be non-operational and restrictive, and the Unit had decided to discontinue it. In any event, all JIU recommendations were subject to follow-up, provided they had been approved by the relevant legislative bodies.

13. The Unit intended to draw on past experience concerning the follow-up of reports. Each of its future reports would provide the General Assembly and all the participating organizations with a clearer, more comprehensive, coherent, and up-to-date follow-up analysis of results. Organizations would thus be better placed to understand the Unit's activities and to contribute their ideas and guidance. The Unit would also seek other measures to improve the process of the consideration and implementation of its individual reports by participating organizations throughout the United Nations system.

14. At a time when Member States demanded much greater management efficiency and transparency, the work of JIU was more important than ever. The Unit stood ready to contribute in a meaningful manner to the transformation of the United Nations into a more effective and useful instrument.

15. Mr. ABRASZEWSKI (Joint Inspection Unit), introducing the report of JIU entitled "Relationship agreements between the United Nations and the specialized agencies: review and strengthening of sections pertaining to the common system of salaries, allowances and conditions of service" (E/1993/119 and Add.1), said that, although the relationship agreements existing between the United Nations and the specialized agencies and the International Atomic Energy Agency, most of which had been concluded between 1946 and 1951, could not reflect all the more recent developments, the articles relating to the common system had been applied relatively well over the years. The question of the review or revision of the relationship agreements was a complex and controversial matter. Before determining its position on the future of the agreements, the Economic and Social Council should have a complete and up-to-date evaluation of their implementation. Ad hoc, partial revision of agreements was not recommended. Consideration should be given to practical ways of enhancing the role of the International Civil Service Commission in the regulation and coordination of conditions of service within the common system. Moreover, the attention of

Member States should be drawn more often to the need to maintain a coherent position on the same matters in different organizations.

16. Introducing the report of JIU entitled "Accountability, management improvement and oversight in the United Nations system" (A/50/503), he said that it was the first inventory and analysis of the subject and established a basis for future efforts to address those problems on a system-wide scale. He hoped that its conclusions and recommendations would assist Member States in their actions to restructure and streamline the system.

17. A strategic and integrated approach to accountability and oversight processes would lead to the elimination of existing gaps and overlaps, and would contribute to the creation of a new management culture in the United Nations system. The report called for the establishment of a single, focal point unit under the executive head of each agency, which would be responsible for managing change and which would address strategic management issues such as contracting out, decentralization, accountability, streamlining, downsizing and performance evaluation. The organizations of the United Nations system should also encourage and support the recent management and accountability efforts of inter-agency bodies.

18. Introducing the report of JIU entitled "Travel in the United Nations: Issues of efficiency and cost savings" (A/50/692), he said that its aim was to come up with specific, practical action-oriented recommendations, addressed either to the General Assembly or to the Secretariat of the United Nations. Its recommendations included the establishment of a lead office which would be responsible for Secretariat-wide coordination of all travel activities; the reorientation of travel units towards the market-oriented functions of monitoring the travel market and taking advantage of emerging opportunities; and the allocation to travel agencies of the responsibility for the task of searching for the least costly fares applicable.

19. Other recommendations suggested improvements such as the development of comprehensive and updated rules and procedures for travel, and improved control of travel through programme budgeting and oversight by making programme managers directly responsible and accountable for formal and substantive control of travel, by establishing the fungibility of travel and related expenditures and by motivating programme managers and their staff to be driven more by efficiency and cost-consciousness, than by the budget.

20. Still other recommendations dealt with issues such as the use of credit cards for travel, the introduction of computer-assisted processing of travel documents, improvements in the lump-sum option for travel, relationships with providers of travel services, and teleconferencing as a possible alternative to reduce travel requirements.

21. Under the section on options for rationalizing and improving the various components of the present system of travel it was recommended that the General Assembly should review the current formula for determining applicable airfares, in particular the requirement of "the most direct and shortest route", and the rationale of maintaining the nine-hour flight duration, as a criterion of business-class accommodation, in order to ascertain their relevance and impact

on the cost-effectiveness of air travel. As for travel expenses other than those relating to transportation, such issues as the current daily subsistence allowance system as compared to a system based on expenses actually incurred, and free services and benefits provided to travellers were discussed. Finally, the issue of system-wide coordination in travel was addressed.

22. Mr. Amari (Tunisia), Vice-Chairman, took the Chair.

23. Mr. HENNES (Joint Inspection Unit), introducing the report of the Joint Inspection Unit entitled "Management of buildings in the United Nations system" (A/49/560), said that the report had been prepared in response to a request from a participating organization and was part of a series of system-wide investigations for which JIU was uniquely mandated. The most important recommendation in the report, was that executive heads and governing bodies of organizations of the United Nations system should assure sufficient and regular funding of building maintenance to enable building managers to carry out preventive maintenance and pre-maintenance schedules with respect to installations, services and equipment; establish and maintain monitoring and inspection systems, and benefit from the ability to accomplish timely major repairs and replacements through the establishment of building funds supported by fixed annual contributions. Although no one had disagreed that saving money at the expense of adequate building maintenance was both dangerous and expensive in the medium or long term, the Inspectors had found that, faced with severe financial constraints, virtually all governing bodies of United Nations organizations had appreciably reduced their budgets in real terms for building management and maintenance. He urged the Fifth Committee to provide appropriate budgetary guidance to the Secretary-General on that subject and to instruct the Advisory Committee to monitor the implementation of that guidance.

24. Introducing the report of JIU entitled "Management in the United Nations: work in progress" (A/50/507), he said, that after months of investigation and analysis, he remained somewhat pessimistic about the prospects for meaningful management improvement in the United Nations, having become increasingly aware of the fearsome obstacles facing the Secretary-General and his managerial team in their efforts to combat the excessively poor managerial culture in most areas of the Organization. He was, however, convinced that the Secretary-General was providing strong policy leadership towards improving that culture and fully supported the crucial managerial role of the Under-Secretary-General for Administration and Management.

25. As the report indicated, there had been managerial progress in the following six areas: human resources strategy and planning, programming planning and budgeting, management training, the new performance appraisal system, internal oversight, and management information systems. Progress had, however, not been satisfactory in the areas of policy guidance and instructions, performance management, the administration of justice and management improvement. The Joint Inspection Unit had therefore recommended that the Secretary-General should establish a small but full-time unit for integrated strategic planning, systematic and transparent monitoring and enhancement of the new system of accountability and responsibility, and the "management of change"; and that the Secretary-General should ensure that specific objectives, together with dates for their completion, were included in all unit work plans in the

Secretariat and in any reports to intergovernmental bodies on the status and progress of individual programmes and major activities and in reviews made by internal and external oversight bodies. He was glad to report that the recommendation for a strategic planning unit had been well received and was being implemented.

26. Aware of the intense work pressure faced by the Fifth Committee as evidenced by a flood of documents and a formidable array of agenda items, the Joint Inspection Unit recommended that to help overcome the weakness of United Nations performance reporting, the Fifth Committee might wish to consider a series of measures to make Secretariat management and performance reporting to it more understandable, timely, action-oriented and focused, and that, to fulfil its central role in the new accountability and responsibility system more adequately, the Fifth Committee might wish to consider actions to reassess its workflows and annual calendar and to establish small, professionally qualified subcommittees, with minimal but full-time staff to divide tasks, enhance specialization and focus much more clearly and forcefully on major management and oversight issues and processes. Those small expert subcommittees should not prejudice the functions of existing bodies and organs elsewhere in the intergovernmental structure.

27. Mr. KRASULIN (Joint Inspection Unit), introducing the report of the Joint Inspection Unit entitled "Sharing responsibilities in peace-keeping: the United Nations and regional organizations" (A/50/571), said that, as the number of United Nations peace-keeping operations had increased dramatically in recent years, the capacity of the United Nations to carry out activities for peace and security had been overstretched. Accordingly, there was now a need to share responsibilities in collective security with other organizations. The report sought to contribute to current efforts to increase the involvement of regional organizations in collective security in the hope that that would ease the burden on the United Nations.

28. Among the recommendations contained in the report was one calling for the preparation and presentation for consideration by the General Assembly of a comprehensive strategic programme of cooperation with regional organizations in peace-keeping and other peace-related activities, the aim of which should be to decentralize peacemaking activities and enhance the role of regional organizations, while ensuring that the primary responsibility in such matters remained with the United Nations Security Council. A project team composed of representatives of all departments concerned and of some of the regional organizations targeted should be established for the elaboration of the programme.

29. Other recommendations called for the conclusion of bilateral framework agreements between the United Nations and regional organizations concerning practical aspects of peace-keeping and other peace-related activities, and the creation of a mechanism for cooperation between the United Nations and regional organizations which would institutionalize periodic meetings between the Secretary-General of the United Nations and the heads of regional organizations, with the participation of specialized agencies, to review the status of cooperation and explore new steps towards further progress in the field. A permanent working group composed of representatives of the United Nations and

regional organizations should be established for the practical implementation of the recommendations of high-level meetings and for dealing with current issues. Lastly, the report included a recommendation calling for eligibility for receiving United Nations training and advisory services related to peace-keeping to be extended to regional organizations, and one regarding the possibility of establishing voluntary trust funds to finance United Nations training programmes for the peace-keeping activities of regional organizations.

30. Mr. DJACTA (Algeria) reaffirmed his delegation's support of the Joint Inspection Unit and stressed the need to enable it to carry out in full the mandates it shared with the Board of Auditors with regard to the inspection, evaluation and investigation of the United Nations system and to make general recommendations for the proper functioning of the system as a whole, in particular with respect to management and finances. In that regard, he noted the positive changes that had occurred within JIU, in particular the improved quality of the reports submitted to the Fifth Committee, the clear evidence of a greater collective effort in its work, and the Unit's willingness to devise a work programme that met the concerns of the Fifth Committee. Those improvements, which had taken into account the guidance provided by the Committee, deserved its support. In resolution 48/221, the General Assembly had reaffirmed the statute of the Joint Inspection Unit as the only independent system-wide inspection, evaluation and investigation body, and had recognized the need to give adequate means to the Joint Inspection Unit in order to enable it to carry out its functions. It was important to give careful consideration to the various reports prepared by JIU and to implement the recommendations contained therein. The implementation of the recommendations would not only lead to substantial savings at a time when the Organization was facing a serious financial crisis; they were also aimed at improving the efficiency and productivity of the Organization. His delegation therefore believed that a mechanism should be established to follow up the recommendations of JIU and that the Unit should be encouraged to pursue its work for the benefit of the United Nations system as a whole and of all Member States.

AGENDA ITEM 138: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

(a) FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (A/49/717 and Corr.1 and 2 and A/49/904)

(b) RELOCATION OF UKRAINE TO THE GROUP OF MEMBER STATES SET OUT IN PARAGRAPH 3 (c) OF GENERAL ASSEMBLY RESOLUTION 43/232

31. Mr. TAKASU (Controller) said it was clear from recent events that there would be a drastic reduction in the budgets for peace-keeping operations in 1996, which would seriously affect the number of posts funded by the support account. That would, in turn, have serious implications for the capacity of the Secretariat to provide backstopping for peace-keeping operations, whether ongoing or completed. Some action by the General Assembly would be required until the impact of the budgetary reductions was taken fully into account.

32. As the number of peace-keeping operations had increased, a number of "overload posts" to deal with the increased workload at Headquarters had been

financed from the various peace-keeping budgets. It had, however, gradually become clear that identifying an overload post with a specific mission was arbitrary and inappropriate since those holding such posts performed tasks for various missions. A support account had therefore been established by the General Assembly effective 1 January 1990. In 1991, a financing formula had gone into effect under which overload posts were to be financed though the inclusion in the respective peace-keeping budgets of an amount equal to 8.5 per cent of the civilian costs for each ongoing mission. That formula was based on the ratio of the aggregate total cost of the existing 92 overload posts to the aggregate total cost of the total number of civilian mission posts approved for the five peace-keeping missions operating at that time. The operational requirements of the three military missions, which had been stable for a number of years, were at maintenance level; the other two missions were observer missions. None of those missions required backstopping of the complexity required by more recent missions.

33. The 8.5 per cent financial formula had been a pragmatic choice, the purpose of which was to generate sufficient income to finance the cost of the existing overload posts for the duration of the peace-keeping operation. The formula had not taken into account activities arising from the termination or dismantling of missions. The Secretary-General, supported by the Advisory Committee, had noted that the formula was a first step which would be subject to review and adjustment.

34. It was well known that the number, scope and scale of peace-keeping operations had increased dramatically since 1992, reaching a total of 17 in 1994. That had given rise to an unprecedented increase in the scope, scale and complexity of the backstopping tasks required to provide managerial, legal, technical and administrative support for peace-keeping.

35. The Secretary-General had estimated a need for approximately 630 support account posts for peace-keeping operations in 1994. Bearing in mind the estimated level of the support account for that year, calculated on the basis of the original financial formula, the Secretary-General had proposed that 434 support account posts should be established. The General Assembly had, however, approved only 346 temporary posts and 61 temporary positions funded from general temporary assistance, totalling 407 temporary posts and positions.

36. For 1995, the Secretary-General had proposed that 431 temporary posts should be established under the support account fund. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 49/250, had authorized the continuation of the 346 posts previously authorized and the conditional conversion of the 61 positions under general temporary assistance up to 31 January 1996.

37. In the same resolution, the General Assembly had decided to maintain the current methodology of financing the support account at the rate of 8.5 per cent, on the understanding that the percentage would be reviewed annually and for the first time no later than the spring of 1996.

38. In the belief that the Organization would continue its peace-keeping operations in the future and would therefore need a permanent capability to

support such operations, the Secretary-General had, in his proposed programme budget for the biennium 1996-1997, requested the transfer of funding from the support account to the regular budget for 26 core posts involving backstopping activities. That matter was currently under consideration by the Committee. Even with the additional 26 posts, the Department of Peace-keeping Operations would have only 74 posts under the regular budget and the Peace-keeping Financing Division, which currently had no regular budget posts, would have only seven.

39. Taking into account the changes anticipated in various missions, the amount in the support account for 1996 would, as a preliminary estimate - which was subject to change - be only $16.5 million; that was about half of the 1995 total of $33 million. In previous years, unencumbered balances had been made available because of the time-lag between the Secretary-General's proposal, the General Assembly's approval and the actual recruitment of staff. For 1996, however, there would be no unencumbered balance carried over from the previous year.

40. Fully cognizant of his responsibility to ensure that staffing requirements did not exceed the amount available in the support account, the Secretary-General had instituted two measures in November 1995 which were intended to reduce support account staffing requirements: first, an immediate freeze on all recruitment against support account temporary posts and, second, the extension of all expiring short-term and fixed-term appointments only after a review on a case-by-case basis. In addition, the departments concerned had been instructed to prepare and submit their support account requirements for 1996 and to provide information on how the drastic reduction in support account income would affect their ability to carry out backstopping activities. On the basis of those reports, the Secretary-General would be conducting a comprehensive review of the situation and would submit a corresponding report to the Advisory Committee and to the General Assembly in February 1996.

41. It was apparent to the Secretary-General that the drastic cut in support account income resulting from the reduction of peace-keeping budgets could not be offset simply by an immediate and proportionate reduction in the total workload and staff needed to carry it out. Backstopping would naturally continue for current missions and for those missions which were about to be terminated, reduced or redefined. Backstopping would also continue with regard to the following already completed missions: the United Nations Transitional Authority in Cambodia (UNTAC); the United Nations Operation in Somalia (UNOSOM); and the United Nations Operation in Mozambique (ONUMOZ).

42. A reduction in the support account staffing resources currently allocated to the Department of Peace-keeping Operations would undoubtedly have significant consequences. The Department, in particular its Field Administration and Logistics Division, was faced with a period of intense activity which included planning for the drawdown and closure of operations, arrangements for the repatriation of personnel and equipment, the separation and reassignment of staff, the commercial disposal of assets and other administrative and financial tasks associated with the liquidation process. Disposal of assets would take place under conditions totally different from those experienced earlier;

transfer of equipment to other missions would be limited and commercial disposal would be carried out on a large scale.

43. The Secretariat was also in the process of developing effective responses to meet the needs of peace-keeping operations. A number of measures had been taken and other projects were in various stages of completion, including new arrangements for contingent-owned equipment, the updating of the Standard Costs Manual and the Field Administration Handbook, and the completion of the operational manual. The dramatic decrease in support account posts would undoubtedly slow down those tasks and could even jeopardize the Organization's ability to provide effective support for its peace-keeping operations.

44. Other departments and offices would also be affected by the reduction in support account income. The Office of Legal Affairs would be compromised in its ability to provide adequate legal coverage and representation and to protect the Organization's interests. The Purchase and Transportation Service would be impeded in its efforts to provide procurement and contract support for peace-keeping operations in a timely and cost-effective manner and to carry out the procurement reform measures recommended by an expert group. The Peace-keeping Financing Division would find it much more difficult to produce the peace-keeping budget proposals and performance and other reports in a timely manner and to perform its monitoring functions. The Accounts Division would be severely limited in its ability to produce financial statements of ongoing and completed missions and to process reimbursements to troop contributors and payments to vendors.

45. Since the overall peace-keeping budgets were to be reduced, the volume of backstopping activities would eventually decrease. Just as there had been a time-lag in the provision of backstopping staff during the expansion phase of peace-keeping activities, there should also be a gradual and orderly reduction in backstopping staff to accommodate the remaining workload.

46. The current financing formula had not foreseen the recent expansion of the role and responsibilities of the Secretariat in backstopping peace-keeping operations, or the continuing backstopping requirements following the completion of a mission. Two factors were of particular importance in that regard. The first was the scope, scale and complexity of the work involved during the liquidation, closure and post-closure phases of a mission. Completed missions did not generate income for the support account but continued to require backstopping activities. During the expansion phase of peace-keeping, backstopping of completed missions had been absorbed within available resources. During the current phase of reduction, that would no longer be possible.

47. The second factor was the change in the ratio of military and civilian components of peace-keeping operations. In 1990, there had been approximately 10,000 military and 5,000 civilian personnel; in 1994, there were 75,000 military personnel and 13,000 civilian personnel. The increase in the military component had significantly transformed the Secretariat's administrative backstopping requirements. It was also one of the considerations which had led the Office of Internal Oversight Services to recommend that the current financing formula for the support account, which was based solely on civilian

costs, should be reviewed. In its recent review of the management of the support account, the Board of Auditors had made the same recommendation.

48. The Secretary-General hoped that the General Assembly would review the current financing formula with a view to providing adequate staffing for the essential backstopping tasks. Since the current formula gave rise to wide fluctuations in the level of the support account, it might be appropriate to establish a separate budget for backstopping requirements, to be financed according to the peace-keeping scale of assessment.

49. Two matters pertaining to the support account required immediate action by the Committee. In its resolution 49/250, the General Assembly had decided to consider, at its fiftieth session, the arrangements beyond 31 January 1996 for the 61 temporary positions and had authorized continued funding under general temporary assistance for the temporary position of Special Adviser to the Secretary-General up to 31 December 1995.

50. The Secretary-General hoped that favourable consideration would be given to the 61 positions, in particular that of the Special Adviser, whose role was vital to peace-keeping. The Controller urged the General Assembly to extend that position for six months, until the start of the new peace-keeping budget cycle, so that its status could be reviewed in the context of the Secretary-General's forthcoming comprehensive report on the support account, which was to be submitted to the General Assembly in February 1996.

51. Mr. Abelian (Armenia), Vice-Chairman, took the Chair.

52. Mr. HUDYMA (Ukraine) said that, although his Government had filed a request with the General Assembly in April 1993 for relocation to group (c) of the scheme for the apportionment of the expenses of United Nations peace-keeping operations, no action had yet been taken. The majority of Member States had acknowledged that the current location of Ukraine in group (b) was paradoxical. He therefore reiterated his Government's request that its assessed contribution should be brought into line with its capacity to pay. Further postponement of action would only worsen an already difficult situation and lead to imbalances in the financial situation of the United Nations. The considerable amount of the arrears owed by his country to the United Nations was a direct consequence of the delay in relocating his State to group (c).

53. Ukraine had been placed in group (b) in 1973 and had remained in that group since it had become independent. Ukraine was the only State among the former Soviet republics and the only Eastern European State which remained in group (b), the group of economically developed countries. In terms of its level of social and economic development, Ukraine should not be placed in that category. According to World Bank data, the per capita gross national product (GNP) of Ukraine had dropped to $1,570 in 1994; that was lower than that of any other country in group (b).

54. Ukraine was still experiencing economic difficulties. According to official data, the output in the State sector continued to decline. During the first six months of 1995, the gross domestic product (GDP) had decreased by 11.4 per cent and industrial output had fallen by 22.4 per cent, compared with

the previous year. The sharpest decline had been recorded in light industry, which had registered a drop of over 40 per cent. The budget deficit amounted to 6 per cent of GDP. Ukraine had suffered considerable economic losses as a result of its strict compliance with the Security Council resolutions imposing sanctions on Yugoslavia and had to exert tremendous efforts to overcome the effects of the Chernobyl accident and to dismantle the Chernobyl power plant. Living standards in Ukraine did not compare favourably with those of the countries in group (b). It would be absolutely unjust to place additional economic burdens on the Ukrainian people as a result of the inflexibility of the system for the financing of peace-keeping operations.

55. In its decisions 48/472 and 49/470, the General Assembly had decided to consider any arrears of Ukraine in the financing of peace-keeping operations as being due to conditions beyond its control and had decided, accordingly, that Article 19 of the Charter of the United Nations would not be applicable. His Government welcomed those decisions, which had allowed it to retain its voting rights in the General Assembly.

56. The question of Ukraine's arrears and the excessive amount of its assessed contribution to peace-keeping operations was under careful review by the President of Ukraine who, in a letter dated 25 September 1995, had requested the Secretary-General to initiate and mediate a settlement. His Government was currently awaiting a response. At the same time, it was aware that a solution to the problem should be sought within the Fifth Committee. He hoped that a decision to relocate Ukraine to group (c) would be taken as soon as possible; that would contribute to the recovery and stabilization of the United Nations financial system.

The meeting rose at 12.20 p.m.